

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

HB 25 – SB 266

March 18, 2009

SUMMARY OF BILL: Requires genetic testing prior to a father being listed on a birth certificate. Requires the Department of Human Services to pay for genetic testing if parties are financially unable to pay.

ESTIMATED FISCAL IMPACT:

On February 18, 2009, we issued a fiscal note for this bill indicating an *increase in state revenue of \$229,500 in FY10-11 and subsequent years, an increase in one-time state expenditures of \$87,600, an increase in recurring state expenditures of \$1,684,600, and an increase in federal expenditures of \$1,089,000.* Based on additional information from the Department of Human Services, the fiscal impact for this bill is estimated as follows:

(CORRECTED)

Increase State Revenue – \$229,500 FY10-11 and Subsequent Years

Increase State Expenditures - \$87,600/One-Time

\$2,887,000/Recurring

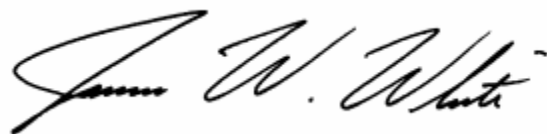
Assumptions:

- In 2007, there were approximately 86,700 births in Tennessee. Based on census data, approximately 23,000 of those were born into families with income from 125 percent to 200 percent of the poverty level and approximately 13,500 were born into families below 125 percent of the poverty level.
- Each paternity test is estimated to cost \$55.
- The Department of Human Services (DHS) estimates that it would be required to pay 100 percent of the cost for all families below 125 percent of the poverty resulting in an increase in expenditures of \$1,265,000 (\$55 x 23,000).
- DHS estimates it would pay 75 percent of the cost for families between 125 percent and 200 percent of the poverty level resulting in an increase in expenditures of \$556,875 [(\$55 x 13,500) x .75].

- DHS could be in jeopardy of losing \$41,395,600 in Title IV-D federal matching funds of the Child Support Enforcement program due to non-compliance with the voluntary paternity provisions of the state operating plans. Also, this could result in the state being assessed penalties against the state's block grant for the Families First program of approximately \$4,260,000 in the first year (two percent of the \$213,000,000 block grant).
- The Department of Health, Office of Vital Records, is required to submit a birth certificate within 10 days of the child's birth. The provisions of the bill require paternity be established through DNA testing prior to the father being included on the birth certificate.
- Of the approximately 90,000 annual births in the state, the Department of Health estimates that 50 percent or 45,000 will need to amend the birth certificates to add the name of the father after the 10 day deadline.
- The Department of Health estimates the need for 20 additional Vital Record Information Assistants to handle the increase in birth certificate issuance questions and amendments.
- These positions are estimated to result in an increase in one-time expenditures of \$87,600 which includes costs for computers and printers (\$33,600) and office set-up (\$54,000).
- These positions are estimated to result in an increase in recurring expenditures of \$1,065,100 which includes salaries (\$581,300), benefits (\$203,500), administrative costs (\$158,000), communications and networking (\$28,300), office leasing (\$82,000), and supplies (\$12,000).
- If a birth certificate is amended within the first year, the Department does not charge a fee. After the first year, the Department charges \$15 to amend a birth certificate.
- The Department of Health estimates that 34 percent, or 15,300, will be amended after one year resulting in an increase in revenue of \$229,500 in year two.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/kml